



APPRAISAL REPORT OF A COMMERCIAL PROPERTY

LOCATED AT STATE ROAD NO. 901 KM. 2.0, CAMINO NUEVO WARD
YABUCOA, PUERTO RICO



PREPARED:

FOR: MRS. CARMEN DAVILA RAMOS
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YABUCOA, PR 00767-9621

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CERTIFIED APPRAISER #156
PUBLIC ADJUSTER LIC. #3000530887



May 17, 2021

MRS. CARMEN DAVILA RAMOS
HC 1 BOX 4046
YABUCOA, PR 00767-9621

Dear Miss Davila:

As you requested, we respectfully submit for your consideration and study an **Appraisal Report** of a commercial building located at *State Road #901 km. 2.0 Camino Nuevo Ward, Yabucoa, Puerto Rico.*

The subject property is improved with two structures, the main one is a one-story reinforced concrete, structural steel and concrete block activity center structure having a gross construction area of 8,281 square feet. The second structure is an open restaurant/bar with mixed construction of concrete blocks and wood roof having an area of 2,064 square feet.

The purpose of the appraisal was to estimate the market value in the fee simple interest of the property, assumed available for use, based on the assumptions, limiting conditions and certificate included herein. Based on the analyzed market data, the appraisers are of the opinion that the market value in the leased fee interest of subject property as of April 13, 2021 to be:

MARKET VALUE

THREE HUNDRED AND SEVENTY THOUSAND DOLLARS
\$370,000.00

The supporting data, the analysis, and the results of our investigation upon which this value estimates is based are contained in the accompanying appraisal report.

I am in the best disposition to offer any further assistance in case questions may arise in relation to this property.

Cordially yours,

Ismael Isern Suárez
Civil Engineer Lic. #12209
Real Estate Appraiser Lic. #684
Certified Appraiser #156
Public Adjuster Lic. #3000530887

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SUMMARY OF RELEVANT FACTS AND CONCLUSION

Owner	Mrs. Carmen Davila Ramos
Location	<i>State Road #901 km. 2.0, Camino Nuevo Ward, Yabucoa, Puerto Rico</i>
GPS Coordinates	Lat. 18.04415461 Long. -65.85133992
Cadastral Number	377-054-145-02-000
Lot Size	9,169.8461square meters.
Topography	Level
Improvements	<p>The subject property is improved with two structures. The main structure is a one-story reinforced concrete and concrete block with structural steel roof commercial structure use as an activity center having a gross construction area of 8,281 square feet. The building is divided into a large open space for activities and two sections of bathrooms for men and women. There is also a commercial kitchen, storage and office area. The second structure is an open restaurant/bar with mixed construction of concrete blocks and wood roof having an area of 2,064 square feet The property has over 60 open parking stalls for a parking ratio of 6 per every 1,000 square feet of gross building area. Our inspection shows that both structures are in average condition with some minor's repairs needed.</p> <p>A detailed description is in the following pages of this report.</p>
Gross Building Areas	
Main Building (Activity Center)	8,281sf.
Activity Center Carport	720 sf.
Restaurant / Bar	2,064 sf.
Access	Adequate through State Road #901.

Zoning	The property falls out of the zoning district.
Flood Conditions	The property falls under a Zone "X" not floodable area as per Map FIRM 72000C-1815J revised November 18, 2019.
Extraordinary Assumption & Limiting Conditions	<p>The appraisal report has been prepared based on the following extraordinary assumption.</p> <p>The appraisers assume that all property physical and operational data provided by the client and property owner is accurate and reliable and the subject property has all the necessary commercial permits use although not provided.</p> <p>The subject is appraised under the extraordinary assumption that it free and clear of environmental problems. The appraisers are not qualified to identify the presence of said materials. The appraisers have not made soil or underground water tests. Identifying site and soil contaminants or environmental issues is beyond the scope of this appraisal and the appraiser's qualifications. Any change on the information provided can affect and/or null the final opinion of market value.</p>
Hypothetical Conditions	None.
Highest and Best Use	Commercial
Actual Uses	Commercial

Market Value Opinion

Cost Approach	Not develop.
Sales Comparison Approach	\$370,000.00
Income Approach	\$350,000.00

Final Estimate of Value

Market Value in “Fee Simple \$370,000.00

Effective Date of Value Estimate The effective date of this appraisal is as April 13, 2021, date of the last inspection, based on the economic conditions and expectations prevailing as of this date. The date of the Report is as May 17, 2021, the date of the transmittal of this document.

SCOPE OF THE ASSIGNMENT

This section of the appraisal report delineates the necessary and customary steps of research and analysis required preparing an appraisal report in accordance with the Uniform Standards of Professional Appraisal of the Appraisal Foundation (USPAP).

I have the professional competency to carry out this appraisal assignment, gained with extensive experience in appraising this type of property and having the relevant education and professional credentials.

The scope of the appraisal, as written in a narrative report, is to analyze the necessary data for the fee simple and the leased fee interest market value opinion as of April 13, 2021, the date of the inspection and effective date of this appraisal. The following is a brief overview of the necessary steps takes to provide a value opinion and an appraisal.

Regional economic factors as well as neighborhood economic influences have been evaluated and an analysis of those most pertinent factors has been included herein.

An interior and exterior inspection of the subject property was conducted on April 13, 2021 as well as various other subsequent exterior inspections, with careful attention being given its physical and functional characteristics and its ability or inability to compete within the subject's market area. An analysis of the subject's highest and best use, both as if vacant and as improved, was conducted to determine the subject's highest value while considering what is legally permissible, physically possible, financially feasible, and maximally productive.

An analysis of the subject's highest and best use, both as if vacant and as improved, was conducted to determine the subject's highest value while considering what is legally permissible, physically possible, financially feasible, and maximally productive.

Collecting and analyzing appropriate market data for the purpose of estimating the subject's market value and the impact on the subject property as a result of any proposed properties. The collected market data is verified with the appropriate knowledgeable parties in order to obtain an accurate account of the transaction, thus, eliminating those comparable, which are not arm's length.

An inspection of the subject neighborhood was carried out. Neighborhood maps were examined to identify access to the area. The site was inspected to identify physical characteristics and possible adverse physical easements. Flood maps prepared by the Federal Emergency Management Agency were checked to determine the flood classification of the subject parcel. The Puerto Rico Planning Board was visited, and a zoning map of the subject and immediate area was examined.

The opinion of value is reported in an appraisal report. The appraisal report is intended to comply with the reporting requirements of Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice (USPAP). As such, it presents a detail discussion of the data reasoning and analysis that were used in the appraisal process to develop the appraiser's opinion of value.

In arriving at a final value opinion for the subject property, consideration is given to each of the approaches, which have been developed. A meaningful value opinion is produced by considering three criteria: appropriateness, accuracy; and quality of evidence. The strengths and weakness of each approach are analyzed, culminating in the final value opinion.

Only the sale comparison and income capitalization approaches to value were used to arrive at an opinion of the market value of the subject property as of the date of this report. In this report the cost approach was not developed because that is not recognized as a reliable indication by knowledgeable participants in today's market. The secondary reason is the age of the improvements and the subjectivity of determining depreciation for it specially the functional and external obsolescence's. I researched data on comparable improved sales, income and expense information; confirmed all comparable sales and other data, and analyzed the information gathered in applying the sales comparison and income capitalization approaches. Thus, in this assignment, the appraiser will develop the Sales Comparison and Income Approaches to value since is the one which give the most reliable indication for subject property valuation.

Unless otherwise noted within the body of this appraisal report, no considering has been given to personal property on the premises, or to the cost of moving or relocating such personal property. Only the real property has been considered in this analysis, the approaches included in this appraisal report of opinions of value, and the final opinion of value.

INTRODUCTION

Identification of the property

The appraisal assignment consists of estimating the market value of a commercial property located at *State Road #901 km. 2.0, Camino Nuevo Ward, Yabucoa, Puerto Rico*. The subject site comprises approximately 9,169.8461 square meters for commercial venture operations.

Property Rights Appraised

The appraisal is made with the understanding that the present ownership of the subject property includes all of the rights that may be lawfully owned and is therefore title in "Fee Simple". (An absolute fee; a fee without limitations to any particular class of heirs of restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation; and inheritable estate).

Intended Use of the Appraisal

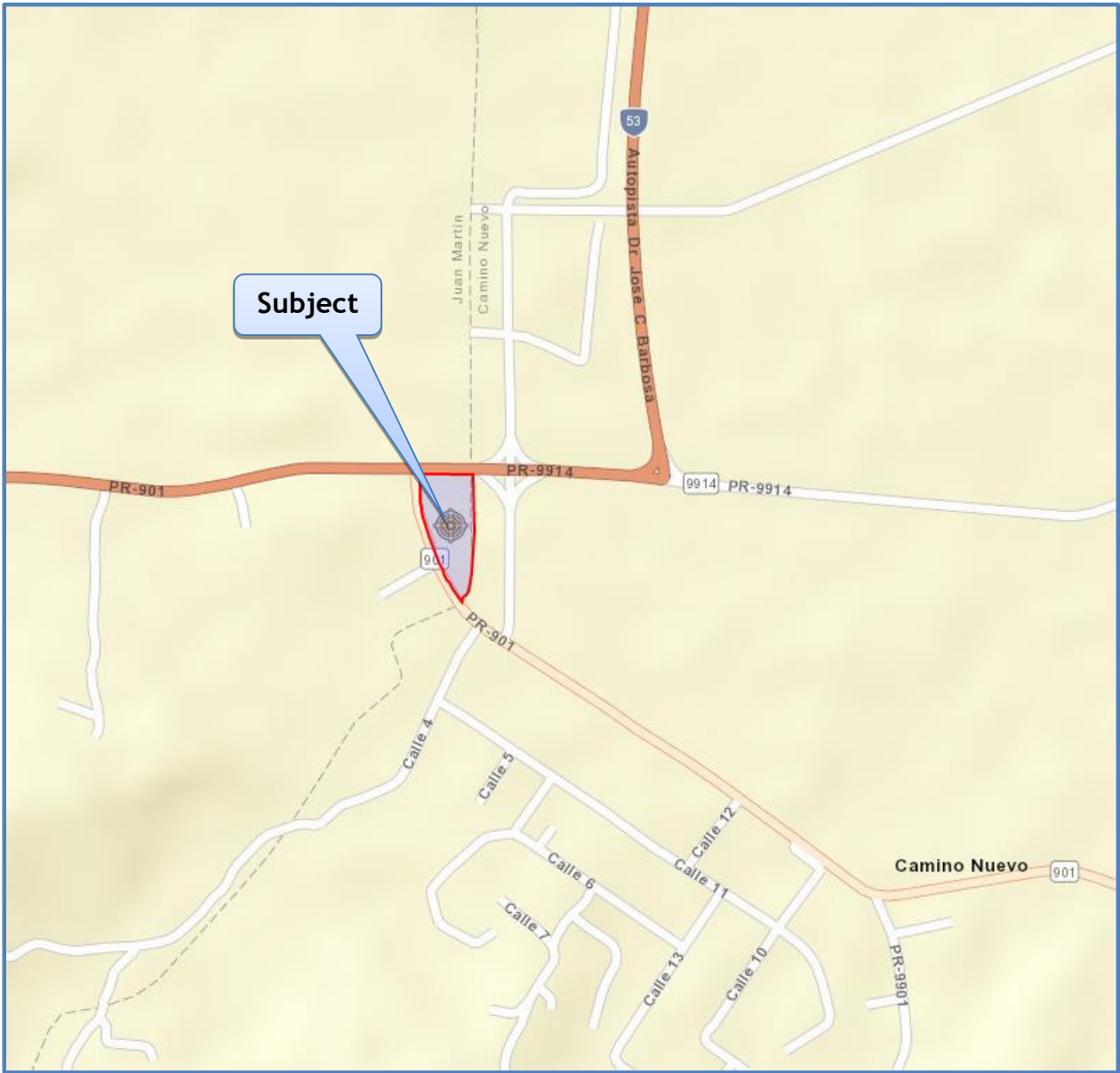
The purpose of the appraisal is to provide an opinion of value for the lease fee interest of the subject property as of April 13, 2021, effective date of this report, for an internal decision related to the subject.

Intended User of the Appraisal

The intended user of this appraisal report is Mrs. Carmen Davila Ramos, our client. This appraisal report was prepared for the sole and exclusive use of our client and its use or reliance on by anyone other than the client is prohibited.

Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR

LOCATION MAP



Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR

SUBJECT PHOTOGRAPHS



FRONT VIEW OF ACTIVITY CENTER



REAR VIEW



LATERAL VIEW



GARBAGE SHACK



EMERGENCY GENERATOR



REAR AREA OF PARCEL

Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR



INTERIOR OF ACTIVITY CENTER



INTERIOR ACTIVITY CENTER



ACTIVITY CENTER ACOUSTIC CEILING



ACTIVITY CENTER BAR



WOMEN BATHROOM



CEILING IN BATHROOM

Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR



MENS BATHROOM



KITCHEN AREA



OFFICE AREA



STEEL ROOF VIEW



RESTAURANT BAR IN FRONT OF PARCEL



BAR AND STEAM TABLE AREA

Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR



KITCHEN AREA



BATHROOM AREA 1



BATHROOM AREA 2



ENTRANCE TO THE PROPERTY



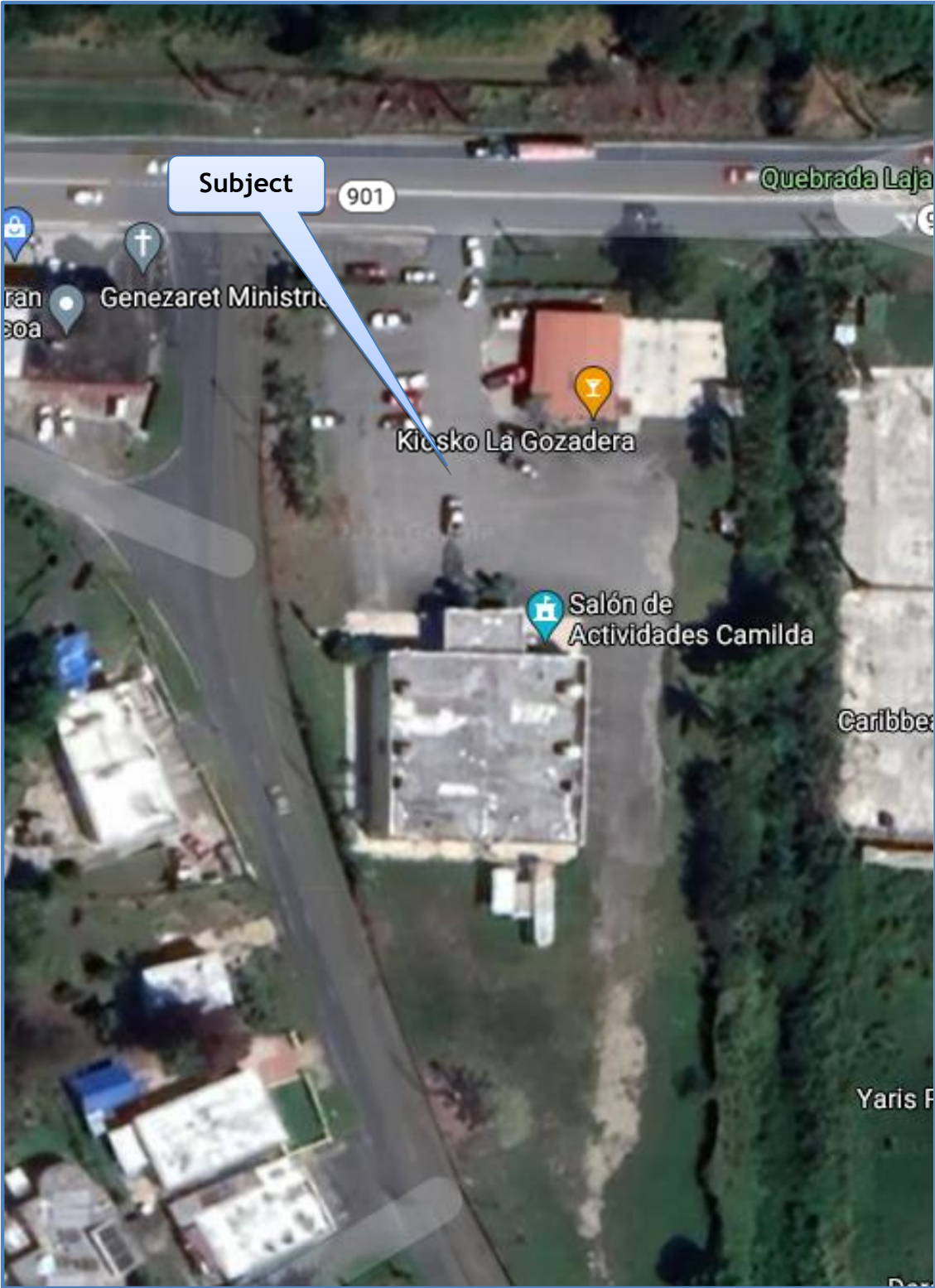
STATE ROAD 901 TO THE WEST



STATE ROAD 901 TO THE EAST

Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR

AERIAL VIEWS



DEFINITIONS

The following terms that appear within this report are defined to assist the reader in interpreting the appraisal terminology.

¹APPRAISAL: (Noun) the act or process of developing an opinion of value; an opinion of value (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

APPRAISAL PRACTICE: valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.

APPRAISAL REVIEW: (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a work file, or some combination of these), that was performed as part of an appraisal or appraisal review assignment; (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.

APPRAISER: one who is expected to perform valuation services competently and, in a manner, that is independent, impartial, and objective.

APPRAISER'S PEERS: other appraisers who have expertise and competency in a similar type of assignment

ASSIGNMENT: a valuation service that is provided by an appraiser as a consequence of an agreement with a client.

ASSIGNMENT CONDITIONS: Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulations, jurisdictional exceptions, and other conditions that affect the scope of work.

ASSIGNMENT RESULTS: An appraiser's opinions or conclusions, not limited to value, that were developed when performing an appraisal assignment, an appraisal review assignment, or a valuation service other than an appraisal or appraisal review.

BIAS: a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment.

BUSINESS ENTERPRISE: an entity pursuing an economic activity.

BUSINESS EQUITY: the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including, but not necessarily limited

¹ SOURCE: USPAP 2020 - 2021 Edition

to, capital stock, partnership interests, cooperatives, sole proprietorships, options, and warrants).

CLIENT: the party or parties (i.e., individual, group, or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.

CONFIDENTIAL INFORMATION: information that is either; identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or classified as confidential or private by applicable law or regulation.

COST: the actual or estimated amount required to create, reproduce, replace, or obtain a property.

CREDIBLE: worthy of belief.

EXPOSURE TIME: an opinion based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

EXTRAORDINARY ASSUMPTION: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

FEASIBILITY ANALYSIS: a study of the cost-benefit relationship of an economic endeavor.

HYPOTHETICAL CONDITION: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.

INTANGIBLE PROPERTY (INTANGIBLE ASSETS): nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.

INTENDED USE: the use(s) of an appraiser's reported appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.

INTENDED USER: the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.

JURISDICTIONAL EXCEPTION: an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.

MARKET VALUE: a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.

MASS APPRAISAL: the process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing.

MASS APPRAISAL MODEL: a mathematical expression of how supply and demand factors interact in a market.

PERSONAL PROPERTY: any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being “personal,” such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; and intangible property that is created and stored electronically such as plans for installation art, choreography, emails, or designs for digital tokens.

PRICE: the amount asked, offered, or paid for a property.

REAL ESTATE: an identified parcel of tract of land, including improvements, if any.

REAL PROPERTY: the interests, benefits, and rights inherent in the ownership of real estate

REPORT: any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.

SCOPE OF WORK: the type and extent of research and analyses in an appraisal or appraisal review assignment.

SIGNATURE: personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses, and the conclusions in the report.

VALUATION SERVICE: a service pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others.

VALUE: the monetary relationship between properties and those who buy, sell, or use those properties, expressed as an opinion of the worth of a property at a given time.

WORKFILE: data, information, and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP.

MARKETING TIME

Reasonable marketing time is an estimate of amount it might take to sell an interest in real estate at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time which always presumes to precede the effective date of the appraisal.” Taking into consideration the aforementioned, I am of the opinion that a reasonable marketing time for the subject property is about 18 to 36 months years.

ESTIMATED EXPOSURE TIME

Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

Exposure time may be defined as follows: “The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of sale at market value on the effective date of the appraisal; retrospective estimated based upon an analysis of past events assuming a competitive and open market.

Exposure time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable efforts.

After discussions with area brokers, the owner and after consideration of the current market conditions in the area, the appraiser is of the opinion that a reasonable exposure time for the subject property is approximately from 18 to 36 months.

COVID-19 (CORONAVIRUS) NOTE ANALYSIS

Currently the world is affected by the Coronavirus disease 2019 (COVID-19), an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). It was first identified in December 2019 in Wuhan, China, and has since spread globally, resulting in an ongoing pandemic. As of July 31, 2020, more than 17.3 million cases have been reported across 216 countries, areas and territories, resulting in more than 673,000 deaths. In Puerto Rico, activities related to mass gatherings were banned, including commercial activities involving shopping centers, movie theaters, fitness centers, restaurants and tourism, among others. However, a reopening of the majority of the businesses has been authorized by government officials with limited indoor occupancy, but a 10 p.m. to 5 a.m. curfew, use of masks and social distancing rules

remain in place. Indications of rent concessions and lower absorption rates, as expected, are increasing. Although the crisis is still unfolding and some sectors of the economy or businesses began reopening after a quarantine imposed by government officials, some businesses are still closed.

On the other hand, the injection of non-recurrent federal funds to deal with the pandemic, unemployment funds and a stimulus package, are expected to create a balance on the economy. However, no recent transactions or comparable sales after the beginning of the pandemic were found from which to extract any impact in current value. Even though all sectors of the economy have been impacted with unprecedented decline in all revenues and unemployment rises, quantifiable impacts are still yet to be determined and will vary between property types, locations, and duration of this pandemic.

HISTORY OF THE PROPERTY

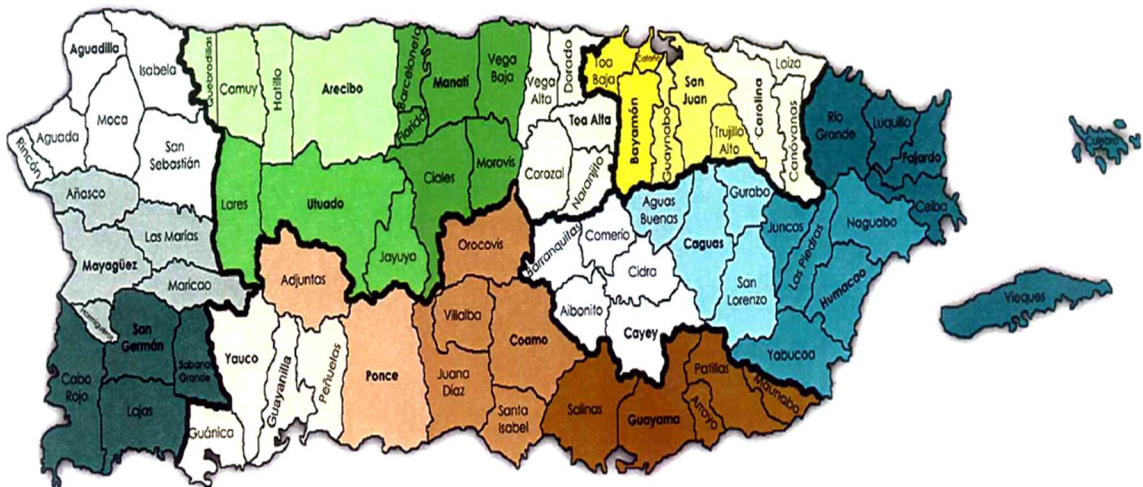
The Uniform Standards of Professional Appraisal Practice indicate that in developing a real property appraisal, an appraiser must:

Consider and analyze any current agreement of sale, option, or listing of the properties being appraised, if such information is available in the normal course of business. USPAP Standards Rules 1-5 (a) and (b) require an appraiser, when the value opinion to be developed is market value, and if such information is available to the appraiser in the normal course of business, to analyze (1) all agreements of sale, options, or listings of the subject property current as of the effective date of the appraisal and (2) all sales of the subject property that occurred within three (3) years prior to the effective date of the appraisal. USPAP Standards Rules 2-2, (b)(viii), (b)(viii), and (c)(viii) call for the written appraisal report to contain sufficient information to indicate compliance with the sales history requirement. Standards Rules 2-2 (a)(viii), (b)(viii), and (c)(viii) further require that, if sales history information is unobtainable, the written appraisal report must include a commentary on the efforts taken by the appraiser to obtain the information.

The subject property is recorded on Page 21, Book 215 & Tract 13,552 of the Yabucoa municipality of the Puerto Rico Department of Justice of Puerto Rico, in the name of Carmen Davila Ramos. The appraisers are not aware of any sales regarding the subject property within the past three years; therefore, no further analysis is required. Please note that the history of the subject property is presented for informational purposes only. It is strongly recommended that a recent title study be obtained prior to any transfer or encumbrance of the subject property.

Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR

THE ISLAND OF PUERTO RICO



ECONOMIC PROGRESS IN PUERTO RICO

AREA:

Puerto Rico is one of 200 islands and islets in the Caribbean Area. The Island is of rectangular shape comprising 3,421 square miles, 100 miles along and almost 35 miles in width. Puerto Rico is a cross in an east-west direction by a mountain range. The remainder of the area is composed of lowlands along the coasts and rolling hills between the mountains and plains. In addition, the landscape contains rivers, lakes, swamps and bays.

Most of the land is agricultural or forestall but an increasing acreage is being developed for residential, industrial, commercial and public facilities purpose. Since most of the development is concentrated in the coastal plain, there are major land use conflicts and severe pressure on the area's ecological systems.

Puerto Rico has a tropical marine climate. The mountainous topography and the pattern of prevailing northeasterly winds considerably influence the spatial distribution of rainfall. Coastal plains receiving the heaviest precipitation are in the west; the south coast is largely semi-arid.

The 2010 Census Results places the total population of Puerto Rico at 3,725,789 persons, or approximately 1,089 inhabitants per square mile. A very high level of urban development's characterizes the population. Urban population has increased steadily since 1940, when it was less than 30%, and by 2010 it had reached 90%.

²Puerto Rico Economic Outlook 2020

FocusEconomics.com on January 21, 2020, reported that the economy has been dealt another blow in recent weeks, as a series of earthquakes and aftershocks—including the biggest quake in a century on 7 January—have damaged the island's infrastructure and left millions without electricity. As a result, although economic activity increased in November for the second consecutive month, according to the Economic Development Bank for Puerto Rico, the Commonwealth's recovery from Hurricanes Maria and Irma, which struck the island two years ago, will have taken a setback. More positively, however, the U.S. Department of Housing and Urban Development will reportedly soon grant island authorities access to USD 8 billion in delayed aid, which should support infrastructure rebuilding efforts.

Economic growth should slow in FY 2020, which ends in June 2020, after data suggests it returned in FY 2019 for the first time in seven years. This is partly due to the government's tighter fiscal stance, in addition to a dwindling population. However, island re-building efforts should cushion the slowdown. The panelists forecast that GNP will expand 0.7% in FY 2020, which is unchanged from last month's forecast, before slowing to 0.2% in FY 2021.

² CaribbeanBusiness.com, FocusEconomics.com and bde.pr.gov.

An article published in the Caribbean Business journal on January 11, 2019 describes a discouraging economic outlook for Puerto Rico in 2019. The article is based on the Estudios Tecnicos Inc. report “The Economy: 2018-2019”.

- The financial markets in the U.S. and Europe are presenting volatility, while the International Monetary Fund (IMF) has projected a global growth slowdown to 2.5 percent that will definitely have an impact on the island’s economy.
- The global economy’s is shifting toward Asian countries with China becoming one of the biggest players in Latin America and Caribbean economics.
- In the United States, the approval of the Tax Cuts & Jobs Act, approved in December is the most damaging external shock to Puerto Rico by lowering stateside (mainland) corporate tax rates and increasing taxes for U.S. firms operating abroad (including US territories). Puerto Rico is considered a foreign jurisdiction for certain tax purposes and thus will not benefit from measures in the Tax Cuts & Jobs Act. In addition, tariffs imposed on aluminum and steel will have an impact on construction costs on the island and, finally, the threat of increased interest rates is another risk factor.
- For ETI, any projection of gross national product (GNP) growth in Puerto Rico is subject to these international factors and, above all, to assumptions concerning federal funding and disbursement rates.
- In March 2018, William C. Dudley, the then-president & CEO of the Federal Reserve Bank of New York, visited Puerto Rico and warned the island’s government not to be seduced by temporary federal reconstruction funds, a fact that has been apparently ignored by the administration of Gov. Ricardo Rosselló Nevares.
- Slow recovery - The report details that through Oct. 12, 2017, the net impact on the local economy had been estimated at about \$43.1 billion and the impact on the gross domestic product (GDP) at \$4.1 billion, or 1.4 percent, of the total economy. However, the document adds that these figures could change as recovery efforts continue.
- Hurricane Maria’s caused the government to interrupt its operations, which together with the damages, represented an approximate loss of \$8.472 billion at the central-government level.
- The study’s long-term projection pegs Maria’s direct impact on the economy as equivalent to 30 percent, as a result of the \$69.9 billion expected to be received for recovery. However, for the gross product, the impact would be 10 percent of the funds assigned for new investment.

- In the case of exports a decline in local production is mainly due to the aftermath of hurricanes Irma and Maria. In the case of imports, a decline in consumption is mainly to the massive outmigration of island residents after the historic storms as well.
- At last, the Economic Development Bank for Puerto Rico - Economic Activity Index published on September 25, 2019 details the following trends.
- The EDB-EAI year-over-year percentage change for August 2019 is minus 0.6%, and it grew by 0.4% when compared to July 2019.
- The EDB-EAI average growth during the January-August period of calendar year 2019 is 1.4%, while it diminished by 0.7% during the July-August period of fiscal year 2020. Both percentage changes are the result of a year-over-year comparison.
- The August EDB-EAI year-over-year percentage change (-0.6%) is the third decrease after eleven (11) months of continuous growth. It should be noted that this annual comparison is with respect to a period during which the Island's electrical system wasn't completely restored after the impact of hurricanes Irma and María, and some recovery works were still going on. Consequently, EDB-EAI growth rate is approaching the behavior that existed prior to the hurricanes.
- It is important to highlight that during August 2019, two (2) of the EDB-EAI's components evinced annual increases: electric power generation 5.1% and total non-farm payroll employment 1.6%. On the other hand, cement sales and gasoline consumption fell by 7.3% and 5.5%, respectively.

Conclusion

In my opinion, the economy is showing some signs of improvement mainly due to the federal recovery funds, revitalization projects taking place, young entrepreneurship initiatives, and equity/capital and private investors venturing in the Puerto Rico market. Yet, the island's economy recovery and stabilization is still to be prove in the years to come with a recently designated governor, tighter governing spending policies in place, and financial oversight by PROMESA. The impact of the recent earthquakes affecting the southern region of the island is yet to be known but definitely will have a negative impact in the economy and real estate market in general and specially in the affected region.

NOTE: Based on the recent assignments performed by our office, conversations with market participants, and Realtors; any impact resulting from COVID-19 pandemic is still undetermined at the moment. Recent market activity seems normal and typical agreements are being met at the moment. The lockdown soft opening expectation is that it will help avoid any sudden market change at the moment.

GENERAL FACTS OF YABUCOA MUNICIPALITY

Yabucoa is located in the southeastern end of Puerto Rico. To the north it borders with San Lorenzo, Las Piedras and Humacao, to the south with Maunabo and the Caribbean Sea, west with San Lorenzo and Patillas and east with the Caribbean Sea.



Distance from San Juan : 43 mi. aprox.

ETA : 01 hrs. 00 mins.

Directions : San Juan Expressway # 18 South
San Juan Expressway # 52 South
Caguas Esstway # 30 South
Humacao Road # 3 South
Yabucoa Road # 9910

Area: 141.9 sq km / 54.6 sq mi

Population: 39,246 (census 2000)

Population Density: 276.5 per sq km / 718.7 per sq mi

People are known as: Yabucoeños

Yabucoa is also known as: La Ciudad del Azúcar (City of Sugar), El Pueblo de Yuca (City of Yucca), Los Bebe Leche (Milk Drinkers)

The Yabucoa Municipality is comprised of ten (10) Wards: Aguacate, Calabazas, Camino Nuevo, Guayabota, Jacanas, Juan martin, Liomnes, Playa, Tejas and Yabucoa Town.

Topography: It belongs to humid region of the Eastern Coastal Valleys.

Hydrography: It watered by the Guayanés, Prieto, Arenas, Limones, del Ingenio rivers and the Santiago marsh, as well as several gorges, among them Cortadera, Aguacate, Aguas Largas and Laja.



NEIGHBORHOOD DESCRIPTION

Adequate analysis of subject's neighborhood provides a framework in which property value is estimated. It identified the area of analysis and establishes the physical boundaries from within the appraisers search market data to be used in the approaches to value.

The subject property lies along *State Road #901 km. 2.0, Camino Nuevo Ward of the Yabucoa Municipality*. It is located at the west section of the Yabucoa Municipality. Next to the subject property and in the immediate neighborhood, some residential structures have been developed for low- and middle-class families. The subject property is also surrounded by vacant parcels of lands and some commercial properties in the rural área of Yabucoa Municipality.



The immediate neighborhood boundaries are by the **North** - State Road 901 & Camino nuevo Ward, by the **South** - Camino Nuevo Ward & Maunabo Municipality, by the **East** - State Road 901 & Camino Nuevo Ward and by the **West** - State Road 901 & Maunabo Municipality limits.

The main artery in this region is State Road 901. The State Road 901 running from east to west in both directions connecting the Yabucoa Municipality area with its west and east bounding municipalities. The State Road 901 connects the subject property neighborhood with the State Road 53 to Humacao Municipality and the other eastern municipalities of the island. Even more, State Road 901 and State Road 53 provides access to the subject neighborhood to other important thoroughfares and the metropolitan area. Thus, linkages are rated as average.

The neighborhood is located east/south of the Yabucoa town core. A mix of vacant lands, commercial and residential uses comprise this area predominant the residential uses, whereas public services, including schools, and churches are available. In recent years only very few residential and commercial developments have been constructed within the neighborhood. This vicinity is mostly comprised by residential and agricultural uses. A few commercial ventures are located at very close distance from the neighborhood.

In terms of utilities and services the Autoridad de Energía Eléctrica de Puerto Rico, Puerto Rico Telephone Company, Autoridad de Acueductos y Alcantarillados de Puerto Rico and the Servicio de Bomberos de Puerto Rico adequately provide the following utilities: electrical power, telephone, water and sanitary sewage and fire protection, respectively. State and municipal police departments protect and assist residents of San Juan. The municipality collects the garbage either with their own staff or through the services of private contractors.

The subject's immediate neighborhood currently has a relatively high inventory of properties available for sale or rent that seems more evident in the area, due to the current economic recession. No detrimental factors were observed within the subject neighborhood as of the date of inspection that could have a potential negative impact on the value and/or marketability of the subject property, and none are assumed to exist. The exposure period of the properties surveyed is about an average of 27 months, considering the high inventory available in the subject's market area. Even more, considering that some properties have been exposed to this market for over 27 months, I can reasonably conclude that the exposure period of the subject property is between 18 and 36 months. There is no evidence that indicates that the property would remain in the market longer than this time if priced competitively.

In conclusion, the subject property enjoys of an average location in an area of moderate economic activity, yet in close proximity to main arteries which easily connect to other populated areas having relatively high density within the Yabucoa rural area and other municipalities like Maunabo, Humaco, Las Piedras, and San Lorenzo. However, current economic times are still having their effect in the commercial and residential sectors. There's positive but falling demand and increasing vacancies, clearly indicating signs of a soft market for commercial activity in the Yabucoa Area. Most of all, these are characteristics of an oversupplied market and therefore I rate this market as a decline.

ANALYSIS OF THE PROPERTY

Owner of Record	Mrs. Carmen Davila Ramos
Location	<i>State Road #901 km. 2.0, Camino Nuevo Ward, Yabucoa, Puerto Rico</i>
GPS Coordination	Lat. 18.04415461 Long. -65.85133992
Lot Size	9,169.8461 sm.
Legal Description	Not available.
Deed & Notary	No. 19 on July 14, 2003 before Mr. Luis E. Lopez Correa, Esquire.
Registry Data	Farm 13,552, Book 215, Page 21
Shape	Irregular.
Topography	The topography of the property is level to street grade.
Soils & Sub-soils	<p>The appraiser has inspected no soils or sub-soils survey of the subject site or area prepared by the United States Department of Agriculture, Soil Conservation Service or any other qualified firm. The land, however, is assumed to be adaptable for normal usage without abnormal expenditures.</p> <p>Inspection of the subject and neighboring properties did not reveal adverse soil conditions that might affect the marketability of the property. The appraisers in this report assume no responsibility related to this matter.</p>
Access & Frontage	Adequate through State Road #901.
Utilities and Services	The property is adequately served by the utilities such as electric power, drinking water, telephone lines, sidewalks and curbs. All other services and support facilities commonly available at urban are also available and considered to be adequate.

Assessments & Tax

Puerto Rico's tax rates are based on two separate factors: One the rate fixed by the Legislature of Puerto Rico - standard for all parts of the Commonwealth and the other, the rate set by the municipality wherein the property is located.

Subject tract is within the local taxing jurisdiction of the municipality of Yabucoa, having an overall rate of 10.08%. It has enjoyed stability with an unchanged rate of the prior ten-year period. However, in response to the local administration's campaign for greater revenues, increases were lived island wide.

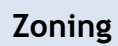
Assessments are based on "Estimated Fair Market Value", (using as base the year) which is normally about 30% of the real market value. A \$15,000.00 statutory deduction on the appraised value of the property is granted to all owners who reside in their units as of a first home basis or do not enjoy such a tax relief.

Currently the subject's tax burden is as follows:

Tax Assessment Data	
Municipality	Yabucoa
Tax Rate	10.83%
Cadastré No.	377-054-145-02-000
Assessment	
Land	\$3,579.00
Structures	\$55,406.00
Machinery	\$0.00
Total Value	\$58,985.00
Exemption	\$0.00
Exoneration	\$0.00
Net Taxable Value	\$58,985.00
Annual Tax Amount	\$6,388.07

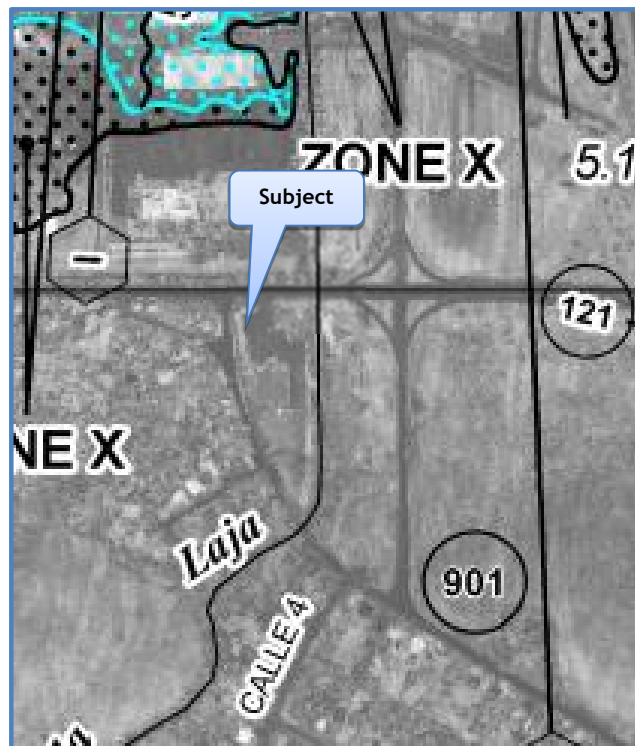
Properties in Puerto Rico are identified via Cadastral system using a series of digits which represents the municipality, area, sector, block and specific unit within the block and if it has a structure.

Tax Code No. **377-054-145-02-000**



Flood Conditions

The property falls under a Zone "X" not floodable area as per Map FIRM 72000C-1815J revised November 18, 2019.



Easements, Expropriations and Encroachments

Except as otherwise indicated, the appraisers assume that the property is free from adverse encroachments and contemplated expropriations.

No condemnation has been notified to the sponsor, nor do the appraisers seem to notice any in the near future. Typical easements and right of way for public utilities exist, but they do not affect value.

Environmental Impact

The appraiser has not made a soil test or test of underground water. Identifying site and soil contaminants or environmental issues is beyond the scope of this appraisal and the appraiser's qualifications. Unless otherwise stated, this appraisal is based on the assumption that the site and property are uncontaminated and unaffected by environmentally hazardous materials or substances.

No environmental impact studies were made or provided to the subscriber in conjunction with this appraisal. The subject is appraised under the extraordinary assumption

Hazardous Substances

that it free and clear of environmental problems. The appraisers are not qualified to identify the presence of said materials. The appraisers have not made soil or underground water tests. Subsequent environmental studies, research, investigation and resulting governmental actions could impact the value estimates contained herein.

The appraiser in this report assumes no responsibility related to this matter.

The presence of certain materials, such as asbestos, urea formaldehyde, radon gas, and others can have a significant negative impact upon the value of improved properties. Subsoil hazardous wastes can impact the valuation of both vacant and improved properties. The existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers during the inspection of the site. The appraiser has no knowledge and did not readily observe upon inspection, the existence of hazardous materials or toxic substances such as asbestos, urea formaldehyde, radon gas, hydrochlorides, or any other that could have a significant negative impact, on or in the property being appraised.

The appraiser is not qualified to detect such substances, and thus the value estimate concluded herein is predicated on the assumption that there is no such material affecting the subject.

The appraisers in this report assume no responsibility related to this matter.

Actual Use

Commercial use.

HIGHEST AND BEST USE ANALYSIS

To determine the highest and best use of the subject property we have analyzed the property as though vacant and as improved. In each case, we applied the basic four criteria to establish it: (1) *physically possible*, (2) *legally permissible*, (3) *financially feasible*, and (4) *maximally productive*. The first two criteria are the most important and the first steps we considered to determine the highest and best use of the subject.

HIGHEST AND BEST USE OF A SITE “AS THOUGH VACANT”

Legally Permissible

As per zoning map the subject property locates within a N-C (No Calificado) zoning district. This zoning classification permits a number of agricultural, commercial and residential uses. Neighborhood shows a heterogeneous composition with light industrial, commercial, institutional and residential uses from low to middle income residential properties. In addition, the subject property was below commercial and residential mix uses for the last years. In conclusion, considering the neighborhood composition and zoning classification the development of the subject site into a commercial, residential and agricultural uses its legally permissible.

Physically Possible

The subject site has an area of 9,169.8461 square meters, which is similar to the other properties in the area. The subject property has irregular configuration, level to mostly hilly topography and average location with adequate accessibility.

There are no physical limitations to prevent development of the subject property site with any of the uses permitted. Physically, the subject property can support all those uses which are legally possible. Public water, some sanitary sewer, electric and telephone mains serve the property. No detrimental physical characteristics were observed for the subject site and thus all legally permissible agricultural, commercial and residential uses are also assumed to be physically possible at this site.

Financially Feasible/ Maximally Productive

The subject property is located in an established rural area within the Yabucoa Municipality. The neighborhood is comprised of agricultural, residential and commercial properties. In terms of financial feasibility and maximally productive due to the lot size the agricultural development was discarded. The commercial and residential development produce a more attractive cash flow. Typical financing is available for the subject property type of commercial and residential mix uses. Thus, the site could be developed into its current commercial uses considered financially feasible and the maximally productive highest and best uses of the subject site as vacant.

HIGHEST AND BEST USE OF PROPERTY AS IMPROVED

Legally Permissible

As per zoning map the subject property locates within a N-C (No Calificado) zoning district. This zoning classification permits a number of agricultural, commercial and residential uses. Neighborhood shows a heterogeneous composition with light industrial, commercial, institutional and residential uses from low to middle income residential properties. In addition, the subject property was below commercial and residential mix uses for the last years. In conclusion, considering the neighborhood composition and zoning classification the development of the subject site into a commercial, residential and agricultural uses its legally permissible.

Physical Qualities

The property improvements are in average conditions based on an external and interior inspection. The physical characteristics of the subject improvements were discussed in detail in the improvement. Overall, the functional utility of the subject improvements will be considered adequate after correcting the curable physical depreciation that suffer. The building improvements were designed following the site characteristics. The overall design and functionality of the improvements are considered adequate for a continued use as a commercial mix use. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the continued use of the property as commercial use would be the most functional use.

Financially Feasible / Maximum Productivity

In terms of financial feasibility, the subject neighborhood suffers a considerably reduction of the potential customers and a reduction of established commercial business due to current tough economic times. In addition, the island suffers of recessionary economic conditions that have affected all sectors of the local economy specifically the commercial market. The recessionary conditions have provoked a slowdown activity in these commercial properties exerting abnormal values in this particular segment. In the same way, the actual economic indicators as well as demand-supply relationships in the commercial properties evidence anticipated slower absorption rates for existing and incoming retail spaces. The subject property has been under residential and commercial use for many years receiving and expecting an income stream. Thus, based on these facts, a logical occupancy would be for the actual commercial use considered to be financially feasible and maximally productive.

HIGHEST AND BEST USE CONCLUSION

Taking into consideration the previous analysis, the appraiser is of the opinion that the highest and best use of the subject property is for its continued utilization as a commercial use venture.

DESCRIPTION OF THE IMPROVEMENTS

The subject property is improved with two structures. The main structure is a one-story reinforced concrete and concrete block with structural steel roof commercial structure use as an activity center having a gross construction area of 8,281 square feet. The building is divided into a large open space for activities and two sections of bathrooms for men and women. There is also a commercial kitchen, storage and office area. There is a concrete carport at the main entrance of 720 square feet.

The main building interior finishes are ceramic tile floors, concrete block walls partitions plastering and painted, aluminum/glass and wood doors, acoustic ceiling with regular and fluorescent lights features. The roof is built in structural steel with galvalume and built top roofing with ceiling of approximately 10 feet height.

The second structure is an open restaurant/bar with mixed construction of concrete blocks and wood roof having an area of 2,064 square feet. The building is divided into an open seating area of 1,540 s.f. and a concrete block enclosed area of bathrooms and kitchen of 560 s.f. It has ceramic tile floors and aluminum windows and door in the kitchen area.

The property has over 60 open parking stalls for a parking ratio of 6 per every 1,000 square feet of gross building area. Our inspection shows that both structures are in average condition with some minor's repairs needed.

Additional improvements consist of a 150-kW power generator, iron grills, paved area for pedestrian and parking uses.

Analysis of the Improvements and Estimated Depreciation

Condition of the Improvements	Both structures are in average condition. Some minor repairs are needed.
Estimated Economic Life	The estimated economic life based on our researched with local active developers and contractors of similar structure is 60 years.
Estimated Effective Age	12 years

Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR

Depreciation

Physical

As earlier mentioned, the overall condition of the improvements long-lived items was average, reflecting an effective age estimated by the appraiser in about 12 years; with a remaining economic live of 48 years. The incurable physical depreciation of the improvements long-lived items was estimated at 20% (12/60).

Functional

Nonfunctional obsolescence was observed.

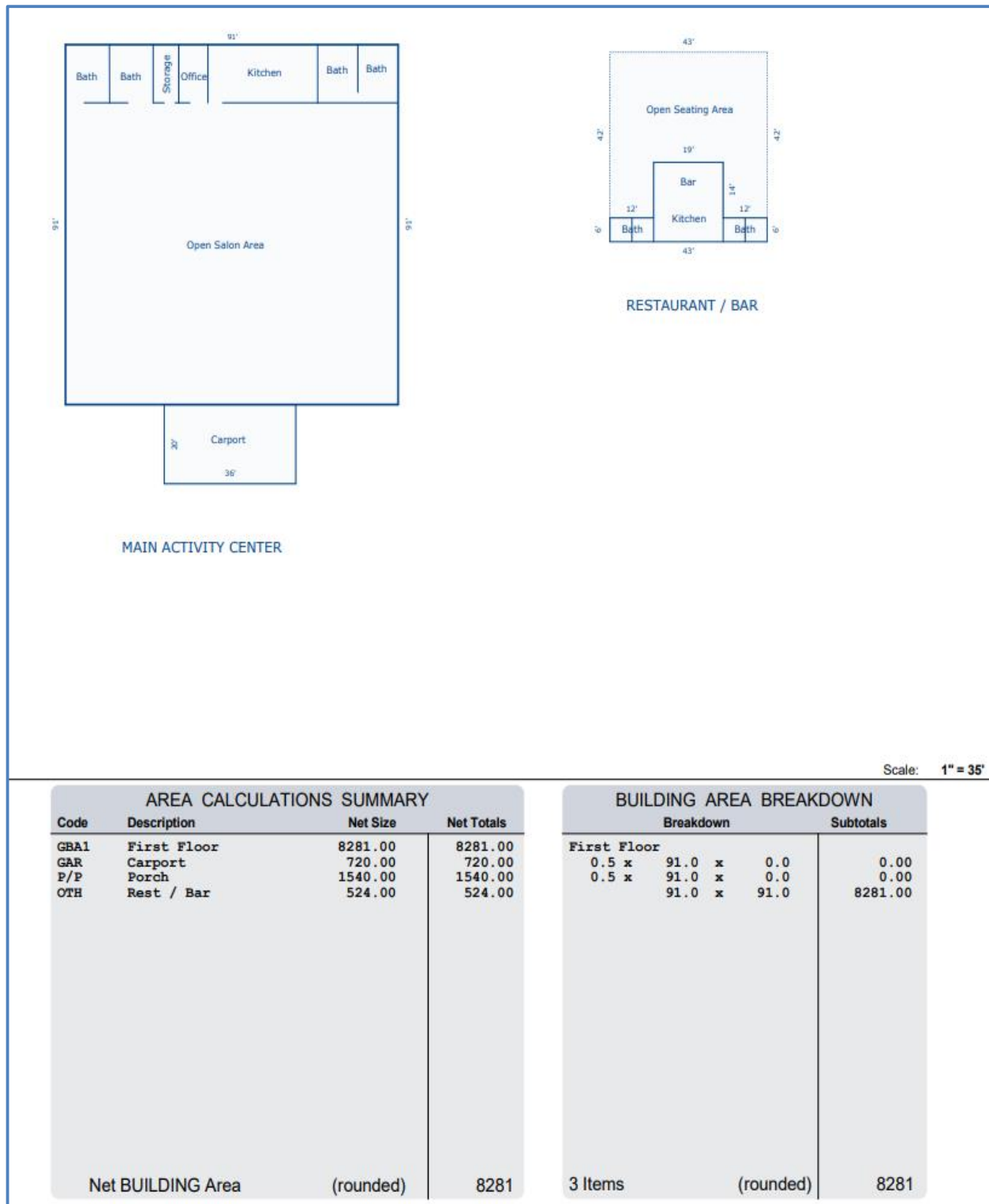
External

None.



Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR

BUILDING SKETCH



THE VALUATION PROCESS

The valuation of a property is generally undertaken by the three- (3) classic approaches:

The Cost Approach: The technique begins with the determination of site value. Sales of vacant land with similar zoning, utility, and acquired for the same or similar use as the subject property being appraised, are analysed. Once site value has been determined, reproduction or replacement costs of the improvements are estimated as if the improvements were new.

The estimate is then further adjusted for all elements of accrued depreciation including physical depreciation, functional and/or external obsolescence.

Sales Comparison: An appraisal technique in which the market value estimate is predicated upon sales of similar properties. The sale prices of the properties that are judged to be the most comparable tend to indicate a range in which the value indication for the subject property will fall.

The reliability of this technique is defendant upon (a) the degree of comparability of each sale with the property with the property under appraisal, (b) market conditions, (c) the verifications of the sale data, and (d) the absence of unusual conditions affecting the sale.

The Income Approach: the income approach involved the analysis of the net operating income potential of the annual cash flow before debt service. The Approach involves a market survey of current rental rates and vacancy situation for properties of a competitive nature. The existing rental rates are compared to the subject property in order to arrive at a stabilized gross economic rental rate. From the gross rental income potential, an allowance for vacancy and collection losses is subtracted, and the result is an effective gross income estimate for the subject property. All fixed and operating expenses attributable to operation of the property are then subtracted, thus resulting in a net operating income estimate before debt service. This net operating income figure is then capitalized into value with the application of the proper market rate of return.

For the purpose of this appraisal report we will develop all applicable method of valuation: **The Sale Comparison Approach and Income Approaches to Value.**

SALES COMPARISON APPROACH

The Sales Comparison Approach is based upon a comparison of prices paid for similar properties that have sold in recent times. This method of valuation is predicated on the principle of substitution and assumes that an informed person will pay no more for a property than the cost of acquiring an equally desirable and valuable substitute property. This approach to value is probably the most easily understood and most readily applied method utilized by buyers and sellers in the marketplace.

- Research the market for information on sales transactions, listings, and offers to purchase or sell involving properties that are similar to the subject in terms of characteristics such as property type, date of sale, size, Physical condition, location, and zoning.
- Verify the information by confirming that the data obtained are factually accurate and that the transactions reflect arm's-length market considerations. Verification may elicit additional information about the market.
- Select relevant units of comparison (e.g., price per acre, per square foot, price per front foot) and develop a comparative analysis for each unit.
- Compare comparable sale properties with the subject property using the elements of comparison and adjust the sale price of each comparable to the subject property or eliminate the sale property as comparable.
- Reconcile the various indications produced from the analysis of the comparable into a single value indication or a range of values.

The Sales Comparison Approach is applicable to all property types and interests when there are similar, sufficient and reliable transactions to indicate value patterns or trends in the specific market. In our case, the Sales Comparison Approach was discarded because no comparable multi-tenants building sales were found with similar characteristics, considered this approach non reliable. However, the development of this approach was not considered necessary to produce credible results, typically investor in the type of property give the majority weight to the Income Approach taking in consideration the income stream that produce the property.

Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR

BUILDING SALE NO. 1

Tax Code Map:	256-003-064-03/04
Seller:	VD Properties Management Corp.
Buyer:	Jose Ernesto Vazquez Crespo
Location:	SR #31 km. 3.2 Rosario Dev. Naguabo, PR
GPS Coordinates:	Lat. 18.214937 Long. -65.733241
Date:	April 10, 2019
Deed & Notary:	No. 24 before Mr. Gustavo J. Umpierre Ponton, Esq.
Inscription:	Folio 84, Tome 235, Property 13,355
Area of Site:	629.71 sm.
Gross Building Area:	4,100 sf.
Sale Price:	\$230,000.00
Price Per SF of GBA:	\$56.09 rounded to \$56.00/sf.
Actual Use:	Commercial
Best Use:	Commercial
Topography:	Level
Shape:	Rectangular
Access/Frontage:	Adequate through State Road #31
Facilities & Services:	All services are available.
Zoning:	C-I (Comercial Intermedio)
Flood Map:	Zone "AE"
Condition:	Average
Parking Spaces:	14 open spaces (Approx.)
Parking Ratio:	3.69/1,000 sf.



Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR

BUILDING SALE NO. 2

Tax Code Map:	150-026-031-33-000
Seller:	Grupo Corporativo del Este, Inc.
Buyer:	Caribe Physicians Plaza Corp./Caribbean Medical Center
Location:	No. 375 General Valero Ave., Fajardo's Central Area, Fajardo, PR
GPS Coordinates:	Lat. 18.33279764 Long. -65.65190868
Date:	February 27, 2018
Deed & Notary:	No. 2 before Mr. Ruben Medina Lugo, Esq.
Inscription:	Property 9303
Area of Site:	2,976.50 sm.
Gross Building Area:	9,650 sf.
Sale Price:	\$599,000.00
Price Per SF of GBA:	\$62.07 rounded to \$62.00/sf.
Actual Use:	Commercial
Best Use:	Commercial
Topography:	Level
Shape:	Rectangular
Access/Frontage:	Adequate through General Valero Avenue
Facilities & Services:	All services are available.
Zoning:	C-I (Commercial Intermedio)
Flood Map:	Zone "X" non floodable
Condition:	Average
Parking Spaces:	50 stalls
Parking Ratio:	5.18/1,000 sf.



Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR

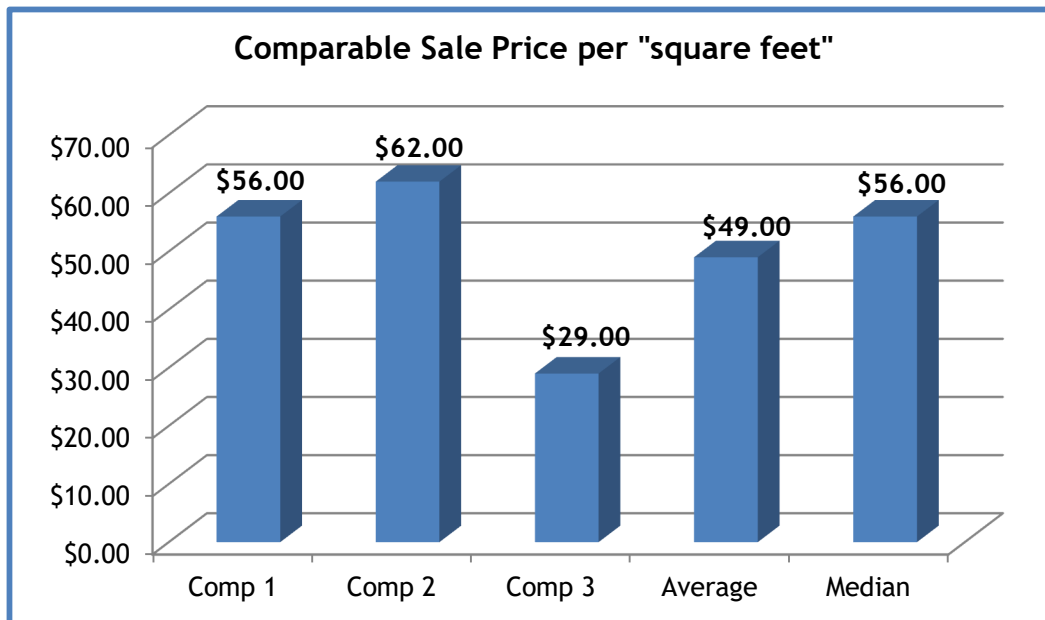
BUILDING SALE NO. 3

Tax Code Map:	377-051-097-03/04
Seller:	Juan Calos Riefkohl
Buyer:	Inmobiliaria R.G.A. Corp.
Location:	Casanova Street, Yabucoa, PR
GPS Coordinates:	Latitude: 18.04335, Longitude: -66.86864
Date:	April 1, 2019
Deed & Notary:	No. 35 before Humberto Soto Mainardi, Esq.
Registry Data:	Farms 5637 / 10162 Book 114 / 1, Page 134 / 154
Area of Site:	5,958.8519 square meters
Gross Building Area:	15,700 square feet
Sale Price:	\$460,000.00
Price Per SF of GBA:	\$29.29 rounded to \$29.00/sf.
Actual Use:	Commercial Uses
Best Use:	Commercial
Topography:	Level
Shape:	Rectangular
Access/Frontage:	Adequate through SR #1 to Casanova street
Facilities & Services:	All services are available
Conditions:	Average
Parking Space:	Fifty-three (70) stalls
Parking Ratio:	4.5:1,000 square feet
Zoning:	C-1
Flood Map:	Zone "X" Non- floodable area



SUMMARY OF COMPARABLE BUILDING SALES

For the analysis of comparable sales, a quantitative and qualitative technique is used to identify the similarity (inferior or superior) between the sales and the subject. The qualitative technique will be applied to determine the difference in physical characteristics. Then, the quantitative technique will be applied using an addition or deduction of points (percentage) determined by statistical analysis.



Three (3) comparable building sales were used in this analysis. The comparable buildings are located at similar market area and neighborhoods. Sales older than one year are used but within the two years frame; nevertheless, it was selected due to the scarcity of recent building sales.

According to the information provided, all sales had typical market terms, which mean that they were paid cash to the seller with financing coming from third parties at market rates. The selected comparable Sales have from average to below average conditions at the transaction time.

The selected comparable sales sample shows a range in value from \$29 to \$62 (Rd) per square feet with an average of \$49 and median of \$56 (Rd) per square feet, before adjustments.

The following table grid shows the sales comparison process and similarities and dissimilarities between the subject and the selected comparable building sales and option:

COMPARABLE BUILDING SALE ADJUSTMENT TABLE

	COMP #1	COMP #2	COMP #3
DATE	10-Apr-19	27-Feb-18	1-Apr-19
SALES PRICE	\$230,000.00	\$599,000.00	\$460,000.00
GROSS BUILDING AREA/SF	4,100	9,650	15,700
UNITARY PRICE/SF	\$56.10	\$62.07	\$29.30
PROPERTY RIGHTS	\$0.00	\$0.00	\$0.00
FINANCING TERMS	\$0.00	\$0.00	\$0.00
CONDITIONS OF SALE	Similar	Similar	Similar
MARKET CONDITIONS	(\$3.26)	(\$5.39)	(\$2.00)
ADJ. UNITARY/SF	\$53	\$57	\$27
QUALITATIVE ANALYSIS - RELATIVE COMPARISON			
LOCATION	Similar	Superior	Similar
ACCESS	Similar	Similar	Similar
PANORAMIC OCEAN VIEW	Similar	Similar	Similar
BUILDING SIZE	Superior	Similar	Inferior
CONDITIONS	Similar	Similar	Similar
NEIGHBORHOOD	Similar	Similar	Similar
ZONING	Similar	Similar	Similar
PARKING RATIO	Similar	Similar	Similar
HIGHEST & BEST USE	Similar	Similar	Similar
OVERALL COMPARABILITY	Superior	Superior	Inferior
UNITARY PRICE PER SF (RD)	\$53	\$57	\$27

ANALYSIS OF THE BUILDING SALES

The listed transactions refer to three (3) sale transactions of comparable properties at competitive locations and used for commercial concerns. Our research shows a scarcity of comparable sales building with similar gross building area in our subject market area making avoidable used comparable building with different gross building area. These transactions represent recent market activity of commercial building sales, considered to be competitive with and comparable to the subject building in most typical value influencing characteristics.

Adjustments

Elements of comparison to be adjusted are the characteristics of properties and transactions that cause the prices paid for real estate to vary. The common elements of comparison are real property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, zoning and best use. The lack of uniformity in the market sometimes prevents an adjustment for some qualitative elements of comparison.

Real Property Rights

All comparable transactions involved the fee simple estate of the properties which are the same rights appraised for the subject. Hence, none of the sales required an adjustment for this element. (Similar)

Financing Terms

According to the information obtained, all transactions had or are proposed to have cash to seller terms, or seller financing with terms similar to those available in the market at the time of sale. Hence, all transactions are considered cash to seller. (Similar)

Conditions of Sale

This adjustment calls for positive or negative to the sales were either the seller or the buyer was motivated by undue stimulus. All listed sales were arm's length transactions. Even though some of the comparable sales analyzed were bank-owned, typically these are marketed and offered for sale in the open market with asking prices set by their respective market value (without discounts), and with sufficient time exposed in the market. In addition, under current economic times in Puerto Rico, with high inventory of properties for sale, typical properties have to compete with REO's and vice versa; and in some areas REO's are driving the market. This adjustment calls for positive or negative to the sales were either the seller or the buyer was motivated by undue stimulus. All comparable sales selected are considered an arm transaction sale at market value thus, no adjustment required.

Expenditure after Sales

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include the cost to demolish and remove any buildings, cost to

petition for a zoning change, or costs to remediate environmental contamination. If the sale requires expenditures upon purchase, the sale is adjusted upward to compensate. All Sales were sold in "As Is" conditions. Thus, no adjustment for expenditures made after purchase was deemed necessary.

Market Conditions

This factor adjusts per market conditions at the time of sale. As previously noted, the market activity for commercial properties, has been slow in the past three to five years. The general market shows that property values have been declining reflecting that market and exposure time increase. Since the selected sales are within a three-year period from the effective date, is the appraiser's opinion that a negative adjustment of 3% should be applied to all comparable sales with more than one year of transaction time.

Location

Our subject property is located at State Road 901 Camino Nuevo Ward at the east coast side of the island. The comparable sales No. 1 is located at Naguabo considered similar. Comparable sale #2 is in downtown of Fajardo and is considered superior in location. The comparable No. 3 is located near our subject nearest to the Yabucoa town but was found similar.

Physical Conditions

Subject improvements are in average conditions at the inspection time and are considered similar when compare with the sales.

Building Size

Typically, in the real estate markets, the price per unit tends to decrease as size increases. In terms of sizes, the listed building sales range was from 4,100 to 15,700 square feet. The subject's main building consists of 8,282 square feet, clearly falling within these indications. The comparable building sales No. 1 has considerably lower building size inferring a higher \$/Sq. Ft. considered superior. The comparable building sale No. 2 was more similar, and No. 3 was larger in size therefore inferior.

Parking Ratio

Our subject has a parking ratio of 6.0 per every 1,000 square feet. The comparable were considered similar in parking ratio.

All other characteristics were considered similar and/or our researched of comparable Sales show no square feet differences which can be extracted from the market thus finally were considered similar.

The following table positions the subject property in perspective of the market analysis after adjustment:

Transaction	Overall Sales Comp. Analysis: Price/SF (rd)	Range
2	Superior	\$57.00
1	Superior	\$53.00
Subject	Positioning	
3	Inferior	\$27.00

From the market data available, three properties were selected as most comparable sales to subject property. The comparable Sales No. 1 and 2 were considered superior and have indications of market value of \$57 and \$53 respectively. The comparable sales No. 3 was considered inferior and has indication of market value of \$27. Based on this analysis, the subject property should be \$57 per square feet. Our market value should be between sales 1 and 3. We will give equal weight to both sales and our market value is \$40.00 per square feet.

There is also an additional structure on the site which is an open restaurant bar with wood roof. The structure has 2,064 square feet that will be value at half of the market value found in the previous analysis due to the inferior quality of construction when compared to the subject.

Thus, the market value of the subject property via Sales Comparison Approach was calculated as follows:

Therefore:

Main Building Activity Center

8,282 sf. @ \$ 40.00 /sf. = \$ 331,280.00

Annex Structure Open Restaurant / Bar

2,064 sf. @ \$ 20.00 /sf. = \$ 41,280.00

TOTAL \$ 372,560.00

Indicated Value by Sale Comparison Approach

ADJUSTED TO...\$370,000.00

INCOME APPROACH

The income approach as defined in the Dictionary of Real Estate Appraisal, 4th edition, is a set of procedures through which an appraiser derives a value indication for an income producing property by converting anticipated benefits into a property value. The net income the appraised property is capable to generate is converted into a value by either the yield capitalization technique or by the direct capitalization method. The steps of the direct capitalization method, as applied are summarized as follows:

There are eight steps in the Income Approach:

1. Estimate the potential gross income (P.G. I.)
2. Deduct for vacancy and collection loss
3. Add miscellaneous income to get the effective gross income (E.G.I.)
4. Determine operating expenses
5. Deduct operating expenses from the E.G.I. to determine net operating income (N.O.I.) before discount, recapture and taxes
6. Select the proper capitalization rate
7. Determine the appropriate capitalization procedure to be used; and
8. Capitalize the N.O.I. into an estimated property value.

Current Subject Rental Information

At the inspection time the subject property was owner occupied. Thus, for appraisal purposes market rent research will use.

Commercial Rent Revenue

In order to establish the market rental rate for the subject commercial building, we carried out an investigation of rentals considered similar to the subject in general terms. The following pages include details of those rentals selected for further analysis.

Comparable Commercial Rent Survey

Rent	Location	Tenant	Rentable Area/Sq. Ft.	Gross Unit Rent	Basis	Parking
1	Lot B SR 901 Mendez Dev. Yabucoa	Azucarera Bakery	2,938	\$3.68	Gross	Adequated
2	SR 901 Km 1.2 Juan Martin Ward Yabucoa	Yabucoa Auto Parts	4,250	\$5.08	Gross	Adequated
3	SR 153 Km 10.7 Jauca Ward Santa Isabel	Carnaval Restaurant	4,900	\$5.50	Gross	Adequated
4	SR 14 km 26.6 Los Llanos Ward Coamo	Patria Restaurante	4,689	\$6.39	Gross	Adequated
5	Sr 14 Km 31.5 San Idelfonso Ward Coamo	Kayardas Restaurant	3,675	\$8.48	Gross	Adequated
6	SR 149 km 58.7 Villalba Ward Villalba	Alba Restaurant	3,435	\$10.48	Gross	Adequated
5	SR 149 km 43 Guayabal Ward Juana Diaz	Farmacia Guayabal	2,900	\$11.58	Gross	Adequated

The surveyed rentals have varying areas between 2,900 to 4,900 square feet and represent current commercial lease agreements. The general basically rental range goes from \$3.68 to \$11.58 per square feet per year over the contract terms (varying from 1 and 5 years).

Conclusion of Commercial Market Rent

The comparable rent No. 2, No. 3, and No. 4 are the largest found and considered similar with our subject. Therefore, the subject rentable indication \$6.00/Sq. Ft. should be between theses indications.

Income Forecast

The theory on income approach is this: value of a property is the present worth of the net income it will produce during the remainder of its productive life. The appraiser must seek in his analysis, the market rental or what rent the property commands if the space were currently leased or available for rent in the open market. This amount is the appraiser's gross income estimate.

Main Building Activity Center

8,282 sf.	@	\$	6.00 /sf.	=	\$	49,692.00
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Annex Structure Open Restaurant / Bar

2,064 sf.	@	\$	3.00 /sf.	=	\$	6,192.00
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POTENTIAL GROSS INCOME		\$	55,884.00
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Allowance for Vacancy and Rental Loss

Vacancy and credit allowance are allowance for reductions in potential income. Specific amenities, management, tenant mix, property appeal, and general market conditions contribute and determine a property's occupancy levels. Generally, an allowance to account for vacancy and any possible rent loss should be considered. Based on current market data, we have estimated the general market vacancy allowance from 10% to 25%. As such, a general 15% vacancy and collection loss of PGI the lower end is concluded considered reasonable on the case on hand.

Operating Expenses

Operating expenses borne by the owner must be deducted from the gross income to derive the forecast Net Operating Income (NOI) for each year or time period. The typical market lease expects landlord to pay for RE taxes and building insurance. Consequently, the operating expenses to be considered and deducted from the gross income generated by the subject property are the following.

Management Fee

A management/administration fee based on typical expenses to the landlord such as professional services for accounting and collection efforts. A typical management fee range is from 2 % to 5% of the effective gross income annually. The appraiser recognizes

the ability of the owner investor to develop the management at a lower rate, thus the market indication of 3% will be used.

Taxes

By landlord. The tax data referent to the subject property was obtained from the CRIM website. From CRIM record the subject property tax is an annual amount of \$6,388.

Insurance

Landlord pays the one of the building and tenant for liability, robbery, etc. By market reaction property Insurance for this type of properties range typically from \$0.30 to \$0.50 per square feet, the expense of property insurance was estimated at \$.35/sq. ft./yr. per the gross building area, equivalent to an annual amount of \$2,900.00.

Reserve for replacement

A typical reserve for replacement allowance for this type of property by market reaction range typically from 1% to 3% of the EGI. The reserve for replacement weighting the market reaction indications was estimated at 2% of EGI annually.

Miscellaneous

Typical miscellaneous expense for this type of property by market reaction range from 1% to 3% of the EGI. The miscellaneous expenses weighting the market reaction indications was estimated at 2% of EGI annually.

Annual Gross Income and Expenses

The subject annual gross income is based on the subject competitive market rentals.

Annual Gross Expectable Rental of the Building		\$ 55,884.00
Less: Vacancy and Collection Loss	15%	\$ 8,382.60
Effective Gross Income		\$ 47,501.40
Operating Expenses:		
Management & legal Fee (3%)	\$ 1,425.04	
Real Estate Taxes (Aprox.)	\$ 6,388.00	
Insurance	\$ 2,900.00	
Reserve for Replacement (2%)	\$ 950.03	
Miscellaneous (2%)	\$ 950.03	
Total Annual Expenses		\$ 12,613.10
NET OPERATING INCOME		\$ 34,888.30

Selections of the Capitalization Rate:

A reliable indication of value by the Income Approach will be obtained if the subject's net operating income is capitalized into a single indication of value. This will be made by using an overall capitalization rate, which is defined as the ratio existing between the net operating income and the value of the property. If the NOI and the capitalization rate are determined, the value of the property via the Income Approach is obtained by dividing the forms by the latter.

It is the fact that any prospective investor will consider some type of financing for the subject property. Under current financing and economic conditions, a 7.0% interest rate is considered normal. As to the equity's dividend, a return of 12.0% is considered reasonable in view of recent downward tendencies of the prime interest rate.

Financing Conditions:

The financing conditions imputable to the subject property are the following:

Mortgage Loan to Value	0%
Mortgage Term	20 years
Mortgage Interest Rate	7.0%
Equity Dividend Rate	12.0%
Equity Ratio	30%
Payments	Monthly
Indicated Mortgage Constant	0.0930

Capitalization Rate:

The overall capitalization rate will be using the Band of Investment Technique where the mortgage loan to value ratio will be multiplied by the mortgage constant and the equity position will be multiplied by the equity dividend rate thus giving a weighted average which is the capitalization rate; based on the following formula:

$$R_0 = (M \times R_m) + [(1-M) \times R_e]$$

Where

$$R_0 = \text{The overall capitalization rate.}$$

$$M = \text{The loan to value ratio or 70\%.}$$

$$R_m = \text{The mortgage constant or 0.0930}$$

$$R_e = \text{The equity dividend rate or 12.0\%}.$$

Therefore:

$$\begin{array}{rclcl}
 .70 & \times & 0.0930 & = & 0.0651 \\
 .30 & \times & 0.1200 & = & 0.0360 \\
 \text{Overall Capitalization Rate } \textcircled{R} & & & = & 0.1011 \quad \text{Rounded to 10.00\%} \\
 & \text{As Value} & = & & \frac{\text{Annual Net Operating Income}}{\text{Overall Capitalization Rate}}
 \end{array}$$

Discount Rate Analysis

In order to support the overall capitalization rate extracted via the band of investment formula above, I reviewed the most recent data provided by Realty Rates.com for the 2nd Quarter 2020 lists overall capitalization rates for Restaurant All Types, which is the most comparable categories for the subject property, ranging from a low of 4.83% to a high of 16.39%. The subject's market is very competitive evidencing a downward trend in market rent and sales price levels as consequence of the strong economic recession affecting the overall real estate market in Puerto Rico thus the developed 10.0% rounded overall capitalization rates fall between the Realty Rates parameters considered reasonable for the investor in the actual market for the subject market and support our overall capitalization rate develop.

Physical Deficiencies Adjustments

As detailed in the description of the improvements section of this report, the subject property suffers of curable physical depreciation with significant repairs needed found in average to fair conditions at the inspection time. The total repairs and renovation cost were estimated at \$12,600. In order to put the subject property into conditions and ready for uses, theses repairs must be completed and the cost to cure must be subtracted in order to arrive at a final indication of market value by the income capitalization approach.

Therefore:

$$\frac{\$ 34,888.30}{0.1000} = \$ 348,883.00$$

ROUNDED TO \$ 350,000.00

Indicated Value by the Income Approach

ADJUSTED TO... \$350,000.00

RECONCILIATION AND FINAL ESTIMATE OF VALUE

The appraisers have estimated the subject property's market value by two of the three-valuation technique applicable: The Cost Approach and the Income Approaches. The following are the results obtained for each approach developed:

- **Cost Approach** : **Not Developed**
- **Sales Comparison Approach** : **\$370,000.00**
- **Income Approach** : **\$350,000.00**

In the Sales Comparison Approach, the value of the property was estimated by the analysis of Buildings Sales. By the Sales Comparison Approach, the subject property's estimated value is: **\$370,000.00 dollars**.

A rental market study was conducted to estimate the subject property potential income for the existing buildings. Based on the actual market rent research by the Income Approach, the subject property market value was estimated in **\$350,000.00 dollars**.

The Cost Approach is most appropriate for new construction projects that has been develop to their Highest and Best Use. The scarcity of data to develop the land market value affected the reliable of this approach, therefore it was not developed.

The Sales Comparison Approach was strong due that building sales from the neighborhood area were found and adjusted. All Comparable Sales are located within similar market value, with similar physical characteristics.

The Income Capitalization Approach is sustained on the rent analysis of comparable properties to determine net operating income that was capitalized to reach a value by this method. A rent survey with competitive properties within the subject neighborhood was developed in order to estimate our subject potential gross income.

In our case this approach it's well supported, especially after considered a reliable market rents research. The direct capitalization technique was applied taking one-year income expectancy the subject property income with its actual condition and converting it into a value indication.

Above all at the actual real estate market, actions of buyers and sellers are analyzed with the Sales Comparison Approach supported the investment by the Income Approach.

These approaches offer the most reliable estimate of the market value, in this case, supporting for the reliability of both Approaches, most weight is given to the Sales Comparison Approach in the final opinion of market value taking in consideration that the subject property is owner occupied not expecting income stream. Therefore, taking

into consideration the listed indications and previous analysis, I am of the opinion that the market value of the lease fee interest in the subject property as April 13, 2021, was:

MARKET VALUE

THREE HUNDRED AND SEVENTY THOUSAND DOLLARS
\$370,000.00



ISMAEL ISERN SUAREZ
Civil Engineer Lic. #12209
Real Estate Appraiser Lic. #684
Certified Appraiser #156
Public Adjuster Lic. #3000530887

DATE: May 17, 2021

CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have made an interior and exterior inspection of the property that is the subject of this report.

Mr. Antonio Santos with State License EPA #244 provided significant real property appraisal assistance to the person signing this certification.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.



ISMAEL ISERN SUAREZ
Civil Engineer Lic. #12209
Real Estate Appraiser Lic. #684
Certified Appraiser #156
Public Adjuster Lic. #3000530887

DATE: May 17, 2021

ASSUMPTIONS AND LIMITING CONDITIONS

LIMIT OF LIABILITY: Liability of IS Appraiser Group, PSC employees is limited to the fee collected for preparation of the appraisal. There is no accountability or liability to any third party.

COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT: Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use, the physical report (s) remain the property of the appraiser for the use of the client, the fee being of the appraiser for the use of the client, the fee being for the analytical services only. The report may not be used for any purpose by and person or corporation other than the client or the party town to whom it is addressed or copies without the written consent of an office of IS Appraiser Group appraisal firm and the only in its entirety.

Neither all nor any part of the content of this report shall be conveyed to the public through advertising, public relations effort new, sales or other media, without the written consent and approval of an office of IS Appraiser Group appraisal firm.

CONFIDENTIALLY: The appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusion, or gives a copy of the report to anyone other than the client or a designed as specified in writing.

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning signature appears on the appraisal report, unless indicated as "Review Appraiser". No changes of any item in the report shall be made by anyone other than the appraiser, and the appraiser and firm shall have no responsibility if any such unauthorized change is made.

INFORMATION USED: No responsibility is assumed for accuracy of information furnished by or from others, the client's designed or public records. We are not liable for such information or the work of possible subcontractors. The comparable data relied upon in this report has been conformed to one or more parties families with the transactions or from affidavit; all are considered appropriate for inclusion to the best of our factual judgment and knowledge.

TESTIMONY CONSULTATION, COMPLETION OR CONTRACT FOR APPRAISAL SERVICES: The contract for appraisal, consultation or analytical services is fulfilled and the total fee payable upon completion of the report will not be asked for required to five testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in lost appraisal consultation with client of this parties except under separate and special arrangement and at additional fee.

EXHIBITS: The sketches and maps in the report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are include for the dame purpose and are not intended to represent the property in other than actual status, as of the date of the photos.

LEGAL, ENGINEERING FINANCIAL STRUCTURAL OR MECHANICAL NATURE HIDDEN COMPONENTS, SOIL: No responsibility is assumed for legal matter in of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if fee and clear, unless otherwise state in particular parts of the report.

The legal description is assumed to be correct as used in this report as furnished by the client; the client's designed, or as derived by the appraiser.

The appraiser has inspected as far as possible, by observation, the land and the improvements thereon; however, it was not possible to personally observe conditions beneath the soil, or hidden structural or other components, or any mechanical components within the improvements, no representations are made therein as to these matters unless specifically stated and considered in the report; the value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm; however, the appraiser does not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, apparent, or apparent conditions of the property, site, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling ventilating, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made as to adequacy of insulation or energy efficiency of the improvements or equipment.

LEGAL OF USE: The appraisal is based on the premise that there full compliance with all applicable federal state and local environmental regulations and laws unless otherwise states in the report, further, that all types have been complied with unless otherwise stated in the report, further, it is assumed that all required licenses, consents permits, or other legislative or administrative authority, local state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

COMPONENT VALUES: The distribution of the total valuation in this report between land and improvements apply only under the existing program or utilization. The separate valuation for land and building must not be used in conjunction with any other appraisal and are invalid is so used.

AUXILIARY AND RELATED STUDIES: No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or rescind and/or the statements, findings, opinions, values, estimates or conclusions upon any such subsequent study or analysis or previous study or analysis becoming known to the appraiser.

INCLUSIONS: Furnishings and equipment or business operations, except as specifically indicated and typical considered as a part of real estate, have been disregarded with only the real estate being considered.

PROPOSED IMPROVEMENTS CONDITIONS VALUE: Improvements proposed, if any or off-site, as well as repairs required, are considered, for purposes of this appraisal, to be completed in food and workman like manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as of completed and operating all levels shown and projected.

VALUE CHANGE, DYNAMIC MARKET, INFLUENCES: The estimated market value is subject to change with market changes over time; value is highly related to exposure, time promotion effort, terms, motivation and condition surrounding the offering. The value estimated considers the productivity and relative attractiveness of the property physically and economically in the market place. The "Estimate of Market Value" in the appraisal report is not based on whole or in part upon the race color national origin of the present owners or occupant of the properties in the vicinity property appraised.

In case of appraisal involving the capitalization of income benefits, the estimate of market value is a reflection of such benefits and appraiser's interpretation of income and yields and other factors derived from general and specific market information. Such estimate area as of the date of the estimate of value; they are thus subject to change as the market is dynamic and may naturally changes over time.

MANAGEMENT OF THE PROPERTY: It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor-super-efficient.

The fee for this appraisal or study is for the services rendered and not for the time spent on the physical report.

The appraiser (s) signing this report have no knowledge concerning the presence or absence of area-formaldehyde foam insulation; if such insulation is present, the value of the property may be adversely affected and re-appraisal at additional cost necessary to estimate the effects of such insulation.

Acceptance of and/or use, the appraisal report constitutes acceptance of the above conditions.



ISMAEL ISERN SUAREZ
Civil Engineer Lic. #12209
Real Estate Appraiser Lic. #684
Certified Appraiser #156
Public Adjuster Lic. #3000530887

DATE: May 17, 2021

Located at State Road #901 km. 2.0
Camino Nuevo Ward, Yabucoa, PR

EXHIBITS

CURRICULUM VITAE ENGR. ISMAEL ISERN SUAREZ

ADDRESS:

Ponce De León
13 Ave. Esmeralda - Local 1A
Guaynabo, PR 00969-4430

TELEPHONE:

(787) 765-2110 (office)

BIRTH DATE:

May 15, 1967

MARITAL STATUS:

Married, 2 children

EDUCATION:

May 1991: Bachelor of Science in Civil Engineer, School of Engineering at Mayaguez Campus, University of Puerto Rico.

LICENSES:

Civil Engineer License No. 12209
Professional Appraiser License No. 684 of the Commonwealth of Puerto Rico.
Certified Real Estate Appraiser License No.156
Public Adjuster License No. 3000530887

PROFFESIONAL ASSOCIATIONS:

Member of the College of Engineers and Land Surveyors of Puerto Rico (CIAPR).
Member of the American Society of Civil Engineers (ASCE).
Member #435441 of the Appraisal Institute
Member of the Association of Insolvency and Restructuring Advisors (AIRA)

REAL ESTATE APPRAISAL COURSES:

- Income Producing Properties, Puerto Rico Real Estate Appraiser Institute, August 1993.
- Expropriation and Valuation of Real Estate. The courses offered by the Puerto Rico Real Estate Appraisers Institute., August 1994.

- Course in Real Estate Appraisal, Puerto Rico Real Appraiser Institute, August 1994
- Feasibility Analysis and Highest and Best Use - Non-Residential Properties, Dr. William Kinnard, Appraisal Institute, November 1994.
- Dynamics of Office Building Valuation - Seminar offered by the Puerto Rico Real Estate Appraisers Institute, December 12, 1995.
- Environmental Risk and The Real Estate Appraiser Process - Seminar offered by the Puerto Rico Real Estate Appraisers Institute, September 5, 1997.
- Alternative Residential Reporting Forms. The courses offered by the Puerto Rico Real Estate Appraisers Institute, September 27, 1997.
- ME201: Introduction to Machinery & Equipment Valuation, November 13 - 16, 1997, Orlando, Florida, American Society of Appraisers.
- Course II530 - Advanced Sales Comparison and Cost Approaches - December 4-13, 1997, Interamerican University of Puerto Rico, Río Piedras Campus.
- ME202: Machinery & Equipment Valuation Methodology, February 5-8, 1998, Orlando Florida, American Society of Appraisers.
- Machinery & Equipment Valuation - Advanced Topics and Case Studies, April 30 to May 3, 1998, Tyson's Corner, Virginia, American Society of Appraisers.
- ME204: Machinery & Equipment Valuations - Advanced Topics and Report Writing, July 30 to August 2, 1998 Tyson's Corner, Virginia, American Society of Appraisers.
- Appraisal Institute's Course I410 - Standard of Professional Practice, Part A (USPAP) at Caribe Hilton Hotel in San Juan, Puerto Rico on October 18-19, 1998.
- Appraisal Institute's Course II420 - Standards of Professional Practice, Part B at Caribe Hilton Hotel in San Juan, Puerto Rico on September 26-27, 1998.
- Appraisal Institute's Course II540 - Report Writing and Valuation Analysis at Unión Plaza Building in San Juan, Puerto Rico on 5/13/01 to 5/19/01
- Instituto de Valuadores de Puerto Rico - "Requerimientos Mínimos de USPAP en Informes de Tasación" in Colegio de Ingenieros y Agrimensores de PR on May 4, 2001.

- Instituto de Evaluadores de PR Fórum - “Valoración de Servidumbres de Conservación bajo la Ley 183” at Fideicomiso de Conservación, San Juan, Puerto Rico on June 12, 2002
- Appraisal Institute Puerto Rico & Caribbean Chapter - First Real Estate Market Trend Symposium on March 14, 2002
- Appraisal Institute’s Seminar - Valuation of Hotels in Puerto Rico at Colegio de Abogados in San Juan, Puerto Rico on August 20, 2004.
- Appraisal Institute - Online 7 hours National USPAP Equivalent Course, in Chicago, IL on February 23, 2006.
- Puerto Rico and Caribbean Chapter of the Appraisal Institute - “Leyes y Reglamentos que Rigen la Profesión del Tasador en Puerto Rico” in San Juan, Puerto Rico on March 27 to 31, 2007
- Instituto de Evaluadores de PR - “Requerimiento Uniforme para Recertificar Crédito por Comparecencia a Seminarios y Simposios” in Colegio de Agrónomos of Puerto Rico on May 16, 2008.
- Instituto de Evaluadores de PR - “Nuevos Requisitos para la Federal, Residencial y General de los Tasadores”, in the Agronomist College of Puerto Rico on May 16, 2008.
- Puerto Rico and Caribbean Chapter of the Appraisal Institute - Mortgage Fraud in San Juan, Puerto Rico on May 18, 2007
- CIAPR - “Introducción a la Gerencia de Proyectos” on June 3, 2008.
- CIAPR - “Inspección de Puentes” on June 10, 2008.
- CIAPR - “Introducción al Sistema LEED” in Natural Resources Building on June 12, 2008.
- Instituto de Evaluadores de PR - “Tasación de Fincas Agrícolas”, in the CIAPR on June 13, 2008.
- CIAPR - Presentation Skills on June 17, 2008.
- CIAPR - “Técnica de Estimados de Costos” in Bortech Institute on July 7, 2008.
- CIAPR - “Identificación de Terreno Adecuado” in Bortech Institute on August 12, 2008

- Inter - “The Road Less Traveled Special Purpose Properties”, July 12, 2008.
- CIAPR - Identificación de Terreno Adecuado en Bortech Institute, August 12, 2008
- Bortech Technology Institute - “Reglamento Núm. 4 de Calificación de Puerto Rico”, September 5, 2008
- Inter - The New Residential Market Conditions Forms, February 20, 2009
- Online - Online business practice and Ethics, November 20, 2009
- CIAPR - “Responsabilidad por Vicios de Construcción” December 9, 2009
- Condado Plaza Hotel - “Commercial Appraisal Engagement and Review” December 11, 2009.
- International Code Council - “2009 IRC Performing Residential Building Inspections” May 27, 2011 CAAPR San Juan PR.
- Instituto de Evaluadores de Puerto Rico - "Nuevos Cambios en la Planilla de Tasación, Formas 1004, 2055, 1073 & 1075" (4 hours course) - March 2, 2012.
- Instituto de Evaluadores de Puerto Rico - National USPAP Update Course (7 hours), March 3, 2012.
- Instituto de Evaluadores de Puerto Rico - "Leyes y Reglamentos que rigen la Profesión de Evaluadores Profesionales Bienes Raíces, Bajo el ELA de PR", (15 hours course), May 26, 2012.
- Instituto de Evaluadores de Puerto Rico - "Requisitos para Valoración de Servidumbres de Conservación", March 1, 2013.
- Instituto de Evaluadores de Puerto Rico - National USPAP Update Course (7 hours), March 8, 2014.
- Universidad Interamericana San Juan - Marketability Studies: Advance Considerations & Applications, (7 hours course), November 4, 2014
- Supervisory Appraiser / Trainee Appraiser Course, (5-hour course), June 19, 2015.
- Instituto de Evaluadores de Puerto Rico - USPAP Update Course (7 hours course), November 13, 2015

- Instituto de Evaluadores de Puerto Rico - FHA Property Analysis (7 hours course), January 22, 2016.
- Instituto de Evaluadores de Puerto Rico - "Leyes y Reglamentos" (7 hours course), January 29, 2016.
- Instituto de Evaluadores de Puerto Rico - "Uso y Manejo del mapa Interactivo de PR" (3.5 hours), April 28, 2016.
- Instituto de Evaluadores de Puerto Rico - "Valoración de Servidumbres de Conservación - Nuevos Cambios en Ley" (4 hours), June 10, 2016.
- Appraisal Institute Chicago, IL - Valuation of Conservation Easements (30 hours), March 20 - 24, 2017.
- Appraisal Institute PR Chapter - Real Estate Damages; Analyzing the Impact of the Hurricane (7 hours), April 20, 2018.
- Instituto de Evaluadores de Puerto Rico - Basic Construction Refreshener (7 hours), August 3, 2018.
- Appraisal Institute PR Chapter - USPAP (7 hours), April 29, 2019.
- Appraisal Institute PR Chapter - Online Business Practices and Ethics (5 hours), May 6, 2019.
- Appraisal Institute PR Chapter - "Leyes & Reglamentos" (15 hours), January 23, 2020.
- Instituto de Evaluadores de Puerto Rico - 2020-2021 National USPAP Update Course (7 hours), March 19, 2020.

PROFESSIONAL EXPERIENCE:

January 1994 to present: Private practice as Professional Appraiser. Duties include the following:

1. Residential property appraisal.
2. Residential condominium appraisal.
3. Industrial property appraisal.
4. Farmland appraisal.
5. Diversified commercial appraisal.
6. Real estate property leases.
7. Industrial insurance.

8. Machinery & Equipment appraisal
9. Expert witness at US Federal District Court, San Juan Puerto Rico:
Hon. José A. Fuste
10. Expert before the Superior Court of Puerto Rico; rooms of:

San Juan:

Hon. Mabel Ramos Milian
Hon. Héctor López García
Hon. Salim Chaar Padín
Hon. Oscar Dávila Suliveres
Hon. Juan Corujo Collazo
Hon. Carmen J. Ortiz Ramos
Hon. Procuradora de Asuntos de Familia

Caguas:

Hon. Bruno Cortes Trigo
Hon. Angel Díaz del Valle
Hon. Jaime Fuster Zalduondo
Hon. Pierre Vivoni
Hon. Rafael Castro Pérez

Bayamón:

Hon. Concepción del Pilar Igartúa
Hon. Jeannette Tomasini González
Hon. Misael Ramos Torres
Hon. Georgina Candal Seguro
Hon. Vivian Derieux Rodríguez

Guayama:

Hon. Juan A. Frau Escudero

January 1994 to present: Private practice as Civil Engineer - works related to engineering as lot development, residences design and others.

August 1991 to January 1994: CMA Architects & Engineers, (before known as “Capacete, Martin & Assoc.,”) Civil Engineer, civil design area. More relevant projects: New facilities of Safety Kleen at Manatí, Puerto Rico; “Lago Regulador” at Isabela, Puerto Rico; Authority of Water Source and others.

REFERENCES:

Available upon request.